



April 10, 2000

Executive Vice President  
Federal Home Loan Bank of San Francisco

RE: Transfer of Federal Home Loan Bank Capital Stock (2000-APP-01)

Dear Mr. :

This responds to your request of February 29, 2000 that the Federal Housing Finance Board (Finance Board) approve the transfer of up to \$50 million of Federal Home Loan Bank (FHLBank) capital stock during the year 2000, held by World Savings & Loan Association, a Federal Savings and Loan Association, Oakland, California (World FSLA), to an affiliate, World Savings Bank, FSB, Oakland, California (World FSB).

By Chairman's Order Number 2000-OR-5, dated April 10, 2000, the Finance Board approved the transfer of up to \$50 million of capital stock during the year 2000, from World FSLA to World FSB. This approval is based upon the factual representations made in your correspondence. If the terms of the stock transfer differ from those described in your correspondence, the approval would not apply and the FHLBank would have to reapply for approval based on the changed circumstances. Furthermore, the Chairman's Order contains the following conditions, each of which must be met for the transfer to occur: (1) the stock is transferred at par value; and (2) World FSLA maintains adequate amounts of FHLBank capital stock as required under minimum stock purchase requirements. If these conditions are not fulfilled, the direct transfer of stock from World FSLA to World FSB could not occur. In that event, the FHLBank should either request Finance Board approval for additional time within which to satisfy the conditions.

You should provide written notification to Mr. Mitchell Berns, Director, Office of Supervision, Federal Housing Finance Board, after the capital stock has been transferred in accordance with the Chairman's Order or, if the FHLBank is unable to comply with the above described conditions. If you have any questions, please contact, Jonathan Curtis in the Office of Policy, Research & Analysis at (202) 408-2866, or Thomas E. Joseph in the Office of General Counsel at (202) 408-2512.

Sincerely,

*/s/ James L. Bothwell*

James L. Bothwell  
Director, Office of Policy, Research & Analysis